



GAIL FARBER, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ALHAMBRA, CALIFORNIA 91802-1460

October 04, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

31 October 4, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**CARROLL DRIVE SEWERS
DESIGNATE COUNTY IMPROVEMENT NO. 2661-M
AND ADOPT RESOLUTIONS INSTITUTING
PROCEEDINGS OF ASSESSMENT DISTRICT FORMATION AND DECLARING INTENTION TO
REIMBURSE THE COUNTY FOR SANITARY SEWER CONSTRUCTION IN THE
UNINCORPORATED COMMUNITY OF ALTADENA
(SUPERVISORIAL DISTRICT 5)
(4 VOTES)**

SUBJECT

This action is to adopt the resolutions initiating proceedings to form County Improvement No. 2661-M, Carroll Drive Sewers, and declaring the intention to reimburse capital expenditures with the proceeds of bonds issued to finance the County Improvement.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the resolution instituting proceedings for the construction of sanitary sewers in Carroll Drive and direct the preparation of a Resolution of Intention.
2. Designate the number and name as County Improvement District No. 2661-M, Carroll Drive Sewers.
3. Adopt the resolution declaring your Board's intention to reimburse certain capital expenditures from proceeds of taxable or tax-exempt bonds (County Improvement 2661-M, Carroll Drive Sewers).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to provide financing and approval to proceed with the engineering work necessary for the sewer improvements. Your Board's actions herein will not form nor place any obligation on your Board regarding formation of the aforementioned district. A Resolution of Intention declaring your Board's intention to form the assessment district will be submitted at a future time.

This project involves construction of sanitary sewers in Carroll Drive in the unincorporated Altadena community to service 13 parcels. The project area is located north of Mendocino Street and east of Brae Burn Road. See the enclosed boundary map.

The Department of Public Works (Public Works) received an application from homeowners along Carroll Drive to form a County Improvement (CI) district to provide a mainline sewer system for their community. Residents are presently served by septic tanks and cesspools, many of which are old and problematic.

Public Works surveyed the property owners within the proposed district to determine community support for the project. We mailed 13 surveys, 1 to each assessable parcel owner within the proposed district. The survey provided information on the estimated total project cost and a preliminary estimate of each property's assessment. We received nine responses supporting the project, three opposing, and one did not respond. The favorable responses represent over 60 percent of the assessable area within the proposed district, which meets our criteria for proceeding with the project. Based on the above, it is proposed that your Board adopt the resolution instituting proceedings for CI 2661-M (Carroll Drive Sewers) and direct the Director of Public Works to prepare a Resolution of Intention pursuant to the Municipal Improvement Act of 1913.

Under applicable Federal law, in order to preserve the County's ability to be reimbursed from bond proceeds amounts advanced from the General Fund, your Board must declare its intention to issue bonds for such purpose. Therefore, it is recommended that your Board adopt the enclosed resolution declaring its intention to reimburse capital project expenditures from proceeds of taxable or tax-exempt bonds.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Community and Municipal Services (Goal 3) as this project provides public works infrastructure services that improve the quality of life for County residents.

FISCAL IMPACT/FINANCING

The preparation of the Engineer's Report and appurtenant documents will be completed in Fiscal Year 2012-13. The cost of the work to be performed this fiscal year is estimated to be \$50,000. Sufficient funds to finance this work are included in the Fiscal Year 2011-12 Public Works General Fund Budget. The necessary funds to complete the work will be requested through the annual budget process. It is expected that this cost will be reimbursed from the proceeds of taxable or tax-exempt bonds.

After adoption of a resolution of Intention, an assessment ballot will be mailed to each property owner within the proposed district in accordance with Article XIID of the California Constitution (Proposition 218). If a majority of the property owners oppose the project, an assessment cannot be

imposed, bonds cannot be issued, and the district will not be formed. If the district is not approved, then the funds will not be reimbursed. However, as indicated above, the survey previously conducted showed favorable community support for the project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Municipal Improvement Act of 1913 provides a means by which residents may form an assessment district and assess themselves for the construction of public infrastructure and utilize public financing mechanisms for the costs of the project. Municipal bonds may be used to finance the cost of the district over a specified time. The present action by your Board will not form nor place any obligation on your Board to form the district. These actions will merely provide the necessary funding to prepare an Engineer's Report, which is required before your Board conducts a public hearing on the project and receives assessment ballots. The necessary documents to form the district will be submitted for your Board's approval. At the conclusion of the public hearing, if the property owners approve the project, your Board may then form the district pursuant to the Municipal Improvement Act of 1913.

If the district is formed, all costs incurred in the Carroll Drive Sewer project are to be recovered from permanent long-term financing through the issuance of CI bonds. In accordance with Federal law, your Board is required to adopt a resolution stating its intention to issue bonds to finance the costs of the project and to provide certain detailed information about the project and the bond issue. County Counsel has prepared the enclosed resolutions to meet this requirement.

ENVIRONMENTAL DOCUMENTATION

In accordance with Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines, the proposed actions do not constitute a project and, therefore, are not subject to the requirements of CEQA. The actions are a fiscal activity that does not involve any commitment to any specific project that may result in a potentially significant impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

More reliable sanitary sewer services will be provided as a result of the project.

CONCLUSION

The Honorable Board of Supervisors

10/4/2011

Page 4

Please return an adopted copy of this letter and resolutions to the Department of Public Works,
Programs Development Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:JTW:IK:re

Enclosures

c: Chief Executive Office (Rita Robinson)
County Counsel
Executive Office
Treasurer and Tax Collector

**RESOLUTION INSTITUTING PROCEEDINGS FOR THE FORMATION OF AN
ASSESSMENT DISTRICT FOR THE CONSTRUCTION OF SANITARY SEWERS IN
CARROLL DRIVE AND OTHER RIGHT OF WAY IN THE UNINCORPORATED
ALTADENA COMMUNITY AND DIRECTING PREPARATION OF
RESOLUTION OF INTENTION**

WHEREAS, in a survey, property owners of at least 60 percent of the area of lands within the district hereinafter proposed to be assessed indicated their support for constructing sanitary sewers and appurtenant work in Carroll Drive within the proposed district; and

WHEREAS, pursuant to Section 2804 (2) of the Streets and Highways Code, a debt limit investigation report need not be prepared when, upon notice and hearing in compliance with Chapter 4.56 of the Los Angeles County Code, this Board determines that the public convenience and necessity require said acquisition and improvement; and

WHEREAS, the intent of the Board is to institute proceedings and direct that a Resolution of Intention for this project be prepared;

NOW, THEREFORE, THE BOARD RESOLVES AND DETERMINES THAT:

1. The public interest and convenience require the acquisition of right of way and construction of sanitary sewers and appurtenant work in Carroll Drive and other right of way within the assessment district proposed therefor, substantially as indicated on the boundary map filed with this Board.

2. The proposed district including those properties to be specially assessed to pay the cost of said acquisition and improvement shall include, in general, the area within the boundary of the district as shown on said map.

3. Proceedings for the acquisition and improvement shall be conducted under and in accordance with provisions of the Municipal Improvement Act of 1913, as amended, and other acts incorporated therein, referred to therein, or supplemental thereto, and in accordance with Part 2 of Chapter 4.56 of the Los Angeles County Code.

4. The name for this project shall be "County Improvement District No. 2661-M, Carroll Drive Sewers."

5. The Director of Public Works is directed to prepare a Resolution of Intention for the proposed project and to expend necessary funds in support thereof.

The foregoing Resolution was on the 4th day of October, 2011, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.



SACHI A. HAMAI
Executive Officer of the Board of
Supervisors of the County of
Los Angeles

By

Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By

Deputy

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DECLARING ITS INTENTION TO REIMBURSE CERTAIN CAPITAL PROJECT EXPENDITURES FROM THE PROCEEDS OF TAXABLE OR TAX-EXEMPT BONDS (CI 2661-M CARROLL DRIVE SEWERS)

WHEREAS, the Board of Supervisors (the "Board") of the County of Los Angeles (the "County") intends to initiate proceedings to form an assessment district in accordance with the Municipal Improvement Act of 1913 to construct sanitary sewers in Carroll Drive in the County unincorporated Altadena community (the "Project") and to levy assessments (the "Assessments") to pay the cost thereof; and

WHEREAS, the Board further intends to authorize the issuance of bonds against all Assessments in excess of \$150, which are not paid in full within the cash collection period to be established by the Board (the "Bonds"), pursuant to Division 10 (commencing with Section 8500) of the California Streets and Highways Code, the Improvement Bond Act of 1915 (the "1915 Act"); and

WHEREAS, prior to the levy and collection of the Assessments and issuance of the Bonds, County expects to incur costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election) under general Federal Income Tax principles in connection with the Project (the "Capital Expenditures"); and

WHEREAS, no funds of the County or of any other entity, which is a part of the controlled group of which the County is part (the "Controlled Group") are, or are reasonably expected to be allocated, reserved or otherwise set aside pursuant to the budget of the County or any other entity within the Controlled Group on a long-term basis to pay the costs of constructing and installing the project (including all related incidental expenses thereof); and

WHEREAS, the County intends and reasonably expects to finance the aforesaid costs of the project on a long-term basis through the levy of the Assessments and the issuance of the Bonds (which may be taxable or tax-exempt); and

WHEREAS, the County reasonably expects to reimburse the Capital Expenditures with proceeds of the Assessments and the Bonds; and

WHEREAS, the County currently expects that the maximum principal amount of bonds, which will be used to reimburse such Capital Expenditures and to pay for acquisition and construction costs and other associated project costs, will be \$450,000; and

WHEREAS, Capital Expenditures are expected to be paid from amounts temporarily withdrawn from the County's General Fund; and

WHEREAS, after issuance of the Bonds, the County will: (1) evidence the reimbursement allocation with an entry in the books or records it maintains with respect to bonds, (2) identify in such entry the actual prior expenditure being reimbursed or the fund from which the expenditure was made, and (3) be relieved of any restrictions under the relevant legal documents and applicable state law with respect to the amount received as reimbursement as a result of the reimbursement allocation; and

WHEREAS, upon adoption, this Resolution will constitute part of the official records of the County and will be available for public inspection on a reasonable basis within a reasonable period of time after its date of declaration in the same manner governing the public availability of other official acts; and

WHEREAS, this Resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the Regulations of the Department of the Treasury promulgated under Internal Revenue Code 1986, as amended (the "Treasury Regulations").

NOW, THEREFORE, this Board does find, resolve, determine and order that in accordance with Section 1.150-2 of the Treasury Regulations and the 1915 Act, the County's intent to issue one or more series of taxable or tax-exempt bonds in a maximum aggregate principal amount of \$445,000, the proceeds of which will be used to reimburse County for Capital Expenditures paid for the Project prior to the issuance of the bonds and to pay for acquisition and construction costs and other associated Project costs.

The foregoing resolution was on the 4th day of October, 2011, adopted by the Board of Supervisors of the County of Los Angeles, and *ex officio* the governing body of all other special assessment and taxing districts for which said Board so acts.

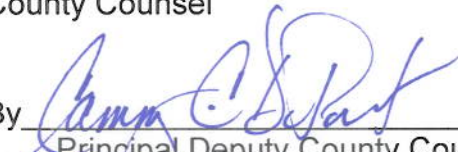


SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

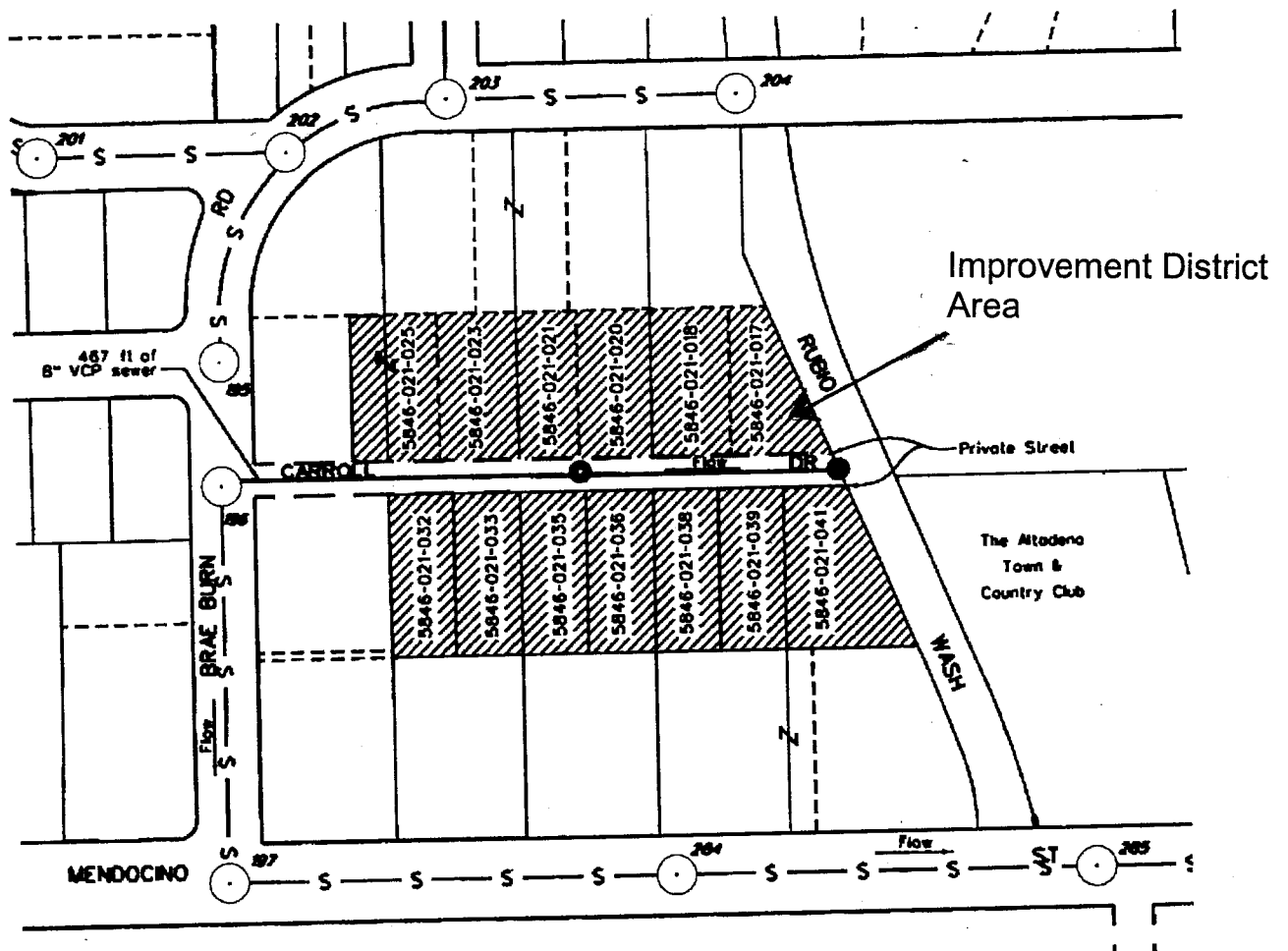
By 
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By 
Principal Deputy County Counsel

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS CARROLL DRIVE SEWER PETITION



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**GENERAL PLAN
NOT TO SCALE**